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## **A Study On Transnational Enterprise Faces Cultural Difference and Trans-Culture Management Under Economic Globalization Background**

### **UNE ÉTUDE SUR LES ENTREPRISES TRANSNATIONALES FACE AUX DIFFÉRENCES CULTURELLES ET SUR LA GESTION TRANSCULTURELLE SOUS LE CONTEXTE DE LA MONDIALISATION ÉCONOMIQUE**

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**Abstract:** Trans-Culture and multicultural are Multinational corporation's essential feature that distinguish between ordinary enterprise, they are also enterprise carries on trans-national operations and foreign direct investment environment and condition. Along with the 21st century economic globalization rapidly development, the world economics depend on each other degree to deepen day by day mutually, specially Multinational corporation which take market integration, trade globalization, financial internationalization, production trans-national, economical network and so on as characteristic rapidly development, caused the global economic relation each other close degree sharp growth, conformity, transformation, remould the global production, management, circulation various active way, world economics which became is worthy of reputation global economic. What follows comes, economical and cultural relation is also widespread day by day. Trans-national operations develop around world quickly, when the enterprise carries on investment and management at host country which has different cultural, cultural difference will bring many influences to enterprise's trans-national operations and management. Therefore, how to overcome negative effect which cultural difference brings, is also trans-national enterprise faces huge challenge and difficult problems. Multinational corporation want to reduce adverse effect which brings by cultural difference, it must construct own Trans-Culture management tactics by globalized field of vision.

**Key words:** Multinational Corporation; Culture; Cultural difference; Trans-Culture Management

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**Résumé:** Transculturel et multiculturel sont les caractéristiques essentielles des sociétés multinationales qui se distinguent des entreprises ordinaires. Ils sont aussi des entreprises qui exercent des activités transnationales et fonctionnent dans un environnement des investissements directs étrangers. Au fur et à mesure du développement rapide de globalisation économique du 21ème siècle, le degré de dépendance mutuelle de l'économie mondiale s'approfondit de jour en jour, et en particulier les sociétés multinationales qui impliquent l'intégration des marchés, la mondialisation des échanges, l'internationalisation financière, la production transnationale, le réseau économique et ainsi de suite. Le développement rapide a renforcé les relations entre les sujets économiques dans la mondialisation, la conformité, la transformation, et remodelé la production mondiale, la gestion et la circulation de manière active. L'économie mondiale est devenue digne de la réputation de l'économie globale. Ce qui suit est l'extension des relations économiques et culturelles au jour le jour. Les opérations transnationales se développent très rapidement dans le monde, lorsque l'entreprise exerce des investissements et de la gestion dans le pays hôte qui a des différences culturelles. Ces différences culturelles apporteront de nombreuses influences sur les opérations transnationales et la gestion des entreprises. Par conséquent, la façon de surmonter les effets négatifs liés aux différences culturelles est un grand challenge et un gros problème auxquels les entreprises transnationales devraient faire face. Si les sociétés multinationales veulent réduire l'effet indésirable entraîné par la différence culturelle, elles doivent construire leurs propres tactiques de gestion transculturelles avec un champ de vision mondialisée.

**Mots-Clés:** société multinationale; culture; différence culturelle; management transculturel

## **1. CORRECT UNDERSTANDING CULTURE AND CULTURAL DIFFERENCE**

Culture generally refers to patterns of human activity and symbolic structures that give such activities significance and importance. Cultures can be "understood as systems of symbols and meanings that even their creators contest, that lack fixed boundaries, that are constantly in flux, and that interact and compete with one another" (Fan Hui. 1993).

Trans-Culture difference refers that cultural difference that between different country and nationality. The different national culture has characteristic of distinctive, continuous, non-materiality, between each nationality's language, tradition, disposition and life style are different, creates each country, nationality differ in cultural aspect. Looking from Trans-Culture, country (or nationality) cultural context differences, is not only one of cultural difference origins, moreover, each company "enterprise culture" and "organization culture" difference as well as staff individual culture quality difference, is also cultural difference's important origin. (Luo Nengsheng. 2006) For example, looking from the country and national culture's difference, Western enterprise emphasis individuality and innovation, but East enterprise more emphasizes collectivism and moderate development; Looking from the enterprise culture and organization culture's difference, High-tech enterprise emphasizes innovation, traditional enterprise more emphasizes steady. The enterprise which is at growth stage to display for positive culture, the enterprise which is at mature stage to display for the steady culture; Looking from staff individual culture quality difference, business manager is main center which organizational culture forms, his individual quality, habit and inspirational force had decided organization culture's individuality,

inspirational force is more stronger, so this kind of individuality is more stronger.

## **2. CAUSE THE CULTURAL DIFFERENCE ROOT**

Dutch scholar G. Hofstede researched and discovered that create cultural difference in-depth factor, namely energetic culture including four obvious aspects: Authority disparity, individualism and collectivism, uncertainty evasion, virilization and feminization tendency.

### **2.1 Authority disparity**

Authority disparity refers that members of different social classes receptivity for authority not equal assignment in society or organization. Cultural difference in authority disparity mainly manifests in the relationship between superior and subordinate. (Si Qianzi& Gao Xiaoqin. 2004 ).In the authority disparity high culture, stressed that obedience gets on well with others, what superintendent carries on decisions is that acts arbitrarily and paternalistic, but their subordinate must absolutely obedient, cannot argue with their boss. In this kind of enterprise cultural, between superintendent and subordinate relationship is pure superintendent and supervisee's relations, sentimental disparity is big. But in the authority disparity low culture, more stressed that individual independent, encourages different opinions, higher level manager direct control to subordinate to be few, people work fervor is higher. Sentimental disparity is small between superintendent and ordinary staff, subordinate easy to approach and to dare to refute their boss.

### **2.2 Individualism and collectivism**

Individualism refers that people only cared oneself and relative who are most intimate in one kind of lax social structure,; But collectivism refers that people hoped internal community cares about oneself, simultaneously people also warm-heartedly help to internal community, is absolutely loyal in one kind of strict social structure,. Has the strong individualism tendency culture to take individual creativity and achievement, encourages people to depend upon own succeeds diligently, takes individual , independent economical safeguard, encourages people to carry on decision-making, but is not relies on group support. (Tao Rigui. 2003).On the contrary, the high collectivism tendency's culture even more takes collective decision-making, stressed that a person attached relations to the collective, personal interest obedience collective interests, individual achievement attributes to the collective diligently and wisdom.

### **2.3 Uncertainty evasion**

Uncertainty evasion refers that a society makes all sorts of considerations to avoid this risk according to oneself to receive the uncertainty event or situation threat degree. The strong uncertainty evasion society cannot tolerate different opinion and viewpoint. Displays responsibility is clear and system is strict in the enterprise, emphasis authoritative viewpoint, request highly consistent. Therefore the people often have intense anxious feeling and pressure feeling, the policy-making formulation slow and lack flexibility. (Yu Wenzhao&Yan Wenhua. 2000)The enterprise which has weak uncertainty evasion can insist that tolerant atmosphere, allows its member to act according to the actual situation to propose the different viewpoint. This type society often displays for its member dares to run risks, encourages that individual innovation, enterprise activities organization degree to be low, encourages the superintendent to undertake corresponding risk while individual make decisions. (Gu Jiang. 1998)The member's pressure is few and can tolerate different opinions. Pays great attention own wisdom and creative ability in the work.

## **2.4 Virilized tendency and feminization tendency**

Virilization refers that pursue “success, money and material” values leadership society's degree. Virilized tendency's society thought that the life significance lies in the work diligently to gain the successful 、 money 、 material and social position. Man should become social leadership, he must have own opinion, but woman must attach and shows loving and takes care man. Feminization is refers to that “cared that other people and pay great attention quality of life” values leadership society's degree. (Wu Xianying. 2003)The feminization tendency's society thought that the life significance lies in the quality of life, work is to live otherwise, but is not. The interpersonal relationship 、 friendship is more important than money and material. Man should also care about and sympathize woman.

## **3. MULTINATIONAL CORPORATION FACES DIFFERENCE CULTURAL TYPE**

### **3.1 Value orientation difference**

Values had decided that people recognized anything was good and bad, friendly and wicked and so on. “Individualism” orientation or “collectivism” orientation is one of most important social cultural elements which sociologists recognize, simultaneously it is also important attribute which may affect some cultural of business dealing. (Huang Hua. 2004)The individualism thought that person is important than society, individual is original, society and country is to safeguard own some right or benefit to be composed, stressed that all people being equal, person is responsible for own behavior, each people have authority that pursue oneself economic interest. Collectivism advocated that individual must obey the collective, collective interests are important than personal interest.

The western country's social value orientation is individualism tendency, the Eastern country' social value orientation is the collectivism tendency. (Chen Yanhong &Huang Junhui. 2001)Take the television advertisement as an example, in the Levis jeans advertisement which Britain photographs, a young man entered a laundry, takes off body's clothes under being in the glare of the public eye, including his Levis jeans, then puts on the short to sit among two females, opens a magazine selfish to look. (Tsang, W. K. 1998)This section of advertisements transmit information is: person who puts on the Levis jeans to be out of ordinary, despises the social behavior standard which have decided, ever does not pay attention to others difference vision. But in Japan, there is Levis clothing advertisement similarly, often transmits such information: (Luo Junhua. 2004)The fashionable young people put on the Levis sign's clothing, you also should be, like this, you will not fall behind. In the culture which has intense collective spirit, what people pursue is that “maintains consistent with the tidal current”.

### **3.2 Authority view difference**

Authority view mainly involve how does an organization process questions between peoples inequalities, including authority centralized degree and leader's dictatorship degree, a society may accept division of powers inequalities degree and so on. (Jiang Zhaoyi. 2004)Its degree's size usually indicated with the authority 's size, organizational members who be able to endure a series of hierarchical system belongs to authority distance big , understands and accepts status which themselves to locate; Organizational members who not to accept their leader dictatorship management belong to authority distance small, seeks the authority not equal reason diligently. According to Hove Steed' survey result, Mexico is the authority distance big country, the index is 81, in Mexican Enterprise, there is very strong rank idea, sentiment distance is big between leader and subordinate, superintendent has more big authority, not easy access. (Zhao Shuming . 1997) But Austria is authority distance small country, the index is 11, people thought is equality generally, so-called rank just is, no matter what the duty is different, moreover in future work process, the duty will be may transform mutually, subordinate access very easy and will dare to refute the boss. . (Barkema, H · G · , &Vermeulen, F · 1998)

### **3.3 Risk view difference**

Risk view mainly involve how does a society treat world uncertainty in the future, including a society has felt uncertainty and fuzzy scene threat degree, usually expressed with uncertainty circumvention. In strong uncertainty circumvention society, people cannot tolerate different idea, maintains traditional faith and behavior standards vigorously, and attempts through to establish a more official rule, avoid not definite, ambiguous, uncertain future situation. (Zhou Lingxiao. 2006)Displays to organizational internal responsibility to be clear in the enterprise, work rule, flow or the standard are specifically strict. In weak uncertainty circumvention society, people favor that relaxation life manner, encourages to take risk, has one kind of security sense generally, is maintaining a tolerant atmosphere, can tolerate different idea. In enterprise, the staff will be possibly adaptation to the work uncertainty, because blurred has not threatened them to stable and safe low need.

Japan is the strong uncertainty circumvention society, "Total Quality Management" has obtained enormous success, under this kind of management form, staff may widely participate in management. In Japan, "lifelong hires system" also carried out well. U.S. is the weak uncertainty circumvention society, "Total Quality Management" has been carries well in Japan, it does not have result in the US. China also belongs to the strong uncertainty circumvention society, humanism policy which has professional stable to be very suitable in China. (David J H & Schoorman F D & Mayer C & Tan H H. 2000)

### **3.4 Communication way difference**

When people carry on communication, they need to transmit own idea using some way, language is main medium of communication. The language communication divides into high interrelatedness pattern and low interrelatedness pattern. In the high interrelatedness pattern, storyteller and receiver carry on communication to rely on understanding to linguistic environment. In low interrelatedness pattern, majority information transmits clearly through language. (Guo Guanqing. 2006)Take U.S. and Japan as an example, Japan belong to the high interrelatedness pattern, but US belongs to the low interrelatedness pattern. When Japanese Corporation send commercial letter to the U.S Corporation, it will narrate many matter first which does not direct correlation with commercial, like regards, concern, wish, friendship and so on, will mention business or cooperation finally. (Leng Xuanrong. 2006)American will think that Japanese is ambiguous, and is inexplicable, when American read Japanese's correspondence, they will turn frequently end first, will read concrete commercial demand directly. Similarly, Japanese is not familiar that American direct discuss business, thought that they arrogant impolite, are not very tactful, when Japanese read American's correspondence, they also turn first end, through read regards, concern, wish and so on, then read the commercial demand.

## **4. CULTURAL DIFFERENCE PRODUCES ADVERSE CONSEQUENCES TO TRANSNATIONAL ENTERPRISE**

Transnational enterprise is in internationalization development process, it will be in multiplex cultural environment definitely. The cultural difference will produce positive influence and negative influence to the enterprise development. (Hofstede G. 1993) Looking from the negative aspect, cultural difference will cause cultural mis-registrations and cultural conflicts, these factors will restrict enterprise's survival and development inevitably, and will affect business goal realization frequently.

### **4.1 Cultural differences will cause management complication**

Business management process will be one kind of information communication process. Regardless of execution management system, or implementation decision-making goal, if information communication

does not smooth, enterprise is impossible to achieve enterprise's goal. In the communication process, cultural context which both sides have their differences, it often will increase difficulty and barrier of communication. (Zhang Yuke & Deng Peiran. 2009) In internal management, because the staff of trans-national enterprise have different job motivation, demand and expectation, they have different needs to communication, motivation, leadership, controlling, this causes management activity to become very complex, and has increased management difficulty and cost too. (Xie Wen Li. 2009) In the exterior management, because conflicts of values, language, manners and customs and so on that cause enterprise development environment to be more complex, thus increases management difficulty.

#### **4.2 Cultural differences will increase policy-making difficulty**

Transnational enterprise's policy-making member come from different country which have different cultural, they will hold personal opinion separately according to their values, will need certain time to eliminate conflict, thus will lose the precious operation opportunity. (Gao Jiayong & Wang Yanqiong. 2009) If the policy-maker comes from identical cultural country, they possible to receive and process information from different cultural context according own cultural characteristic, neglects importance of other cultural value and core belief, thus makes wrong judgment, will cause each kind of decision-making to be implemented with difficulty, will affect enterprise's development.

#### **4.3 Cultural differences will cause trade friction**

In trade negotiation, as a result of the value differences, each negotiator will understand and judges opposite intention by own standard of value, therefore cause friction and conflict. Especially in transaction contract, a person who has different culture understanding to "contract" meaning is different, to westerner, the contract is very serious, after having signed, must observe strictly, the signature means that cannot change again; But to the Oriental, contract is document which can be revised because environmental variation; signing contract is the symbol which cooperation starts. (Xiong Wei & Wang Can. 2009) Therefore, in fulfillment business contract process, the trade friction is very common because of value conflict

#### **4.4 Cultural differences cause transnational enterprise operation efficiency low sa well as lose the market competitiveness**

Because Multinational corporation management area and staff nationality multiplication, staffs who have different nationality behavior way will be also different, thus creates adverse consequences to Multinational corporation's internal management and exterior operation. (Sun Yong-bo. 2008). In internal management, different staffs behavior way adds on communication to be impeded, creates misunderstanding and relations are intense, its result will cause that enterprise interior coordinated more difficulty, operating efficiency is low. In the exterior operation, because the internal staff has differences in each aspect to cause company can not take part in market competition by one to unite as one, even loses market.

#### **4.5 Cultural difference hindrance Multinational corporation global strategy implementation**

Multinational cooperation in order to implement globalized strategy, must manage by suitable scale, strict organization and science management system. At present, majority transnational enterprises adopt matrix form organizational structure, this kind of organizational structure request that enterprise must maintain uniformity on operation and close effective relation. But cultural difference causes that superintendent decision-making and staff behavior way is different, cannot form unified body, creates Multinational corporation reaction slow, it does not extremely favor to enterprise globalized strategy implementation.

## **5. MULTINATIONAL CORPORATION IMPLEMENTS TRANS-CULTURE MANAGEMENT STRATEGY**

### **5.1 Localization strategy**

When transnational enterprise carry on investment in the overseas, it must employ quite a part of local staff, because the local staff is familiar with local manners and customs, market tendency as well as government's each laws and regulations. Employs the local staff to be advantageous to transnational enterprise develop market in the local. Multinational corporation localization displays in prominently that administrator localization, product brand localization, marketing channel localization and so on.

### **5.2 Cultural transplant strategy**

Personnel policy's core of cultural transplant strategy is that Multinational cooperation's key post of administrator in the world's the subsidiary company holds by the motherland personnel. Parents enterprise through senior managers and administrator who were dispatch to the host country, transplants motherland culture and custom to subsidiary company in the host country, makes local staffs of subsidiary company to adapt and accept this external culture gradually. And management company's day-to-day business by working pattern according to this cultural context.

### **5.3 Cultures graft strategy**

Cultures graft strategy is that take motherland culture is subsidiary company main body culture , take host country culture to graft to motherland culture, namely this human resources policy is that take the policy framework which formulates by the parent company is the foundation, the overseas subsidiary company draws up concrete policies and measures according to the local conditions.

### **5.4 Cultural accommodating strategy**

Cultural accommodating strategy is that Multinational cooperation's subsidiary company does not take motherland culture or host country culture as subsidiary company main body culture. although there are huge cultural difference between motherland culture and host country culture, but actually not mutually repels, instead mutually supplemented, simultaneously accommodation in company's operation, displays Trans-Culture superiority fully.

### **5.5 Cultural circumvention strategy**

When there are huge difference between motherland culture and host country culture, administrator who parent company dispatches should special pay attention to avoid significant culture conflict, or to take communication by the third country culture as bridge. This kind of strategy is suitable that there are huge difference between motherland culture and host country culture, but host country unacceptable this kind huge "cultural difference" in short time, at this time, parent company may use cultural circumvention strategy, with aid of the third party culture which comparison neutral, achieved certain mutual recognition with host country culture, control and management subsidiary company which is located in the host country.

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